



INDEPENDENT AUDITORS' REVIEW REPORT

ERNST & YOUNG

安永會計師事務所

TO: THE BOARD OF DIRECTORS OF SHENZHEN HIGH-TECH HOLDINGS LIMITED AND ITS SUBSIDIARIES

Introduction

We have been instructed by the Company to review the interim financial report for the six months ended 30 June 2002 set out on pages 4 to 17.

Directors' responsibilities

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Statement of Standard Accounting Practice 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants ("HKSA") and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the HKSA. A review consists principally of making enquires of the management of Shenzhen High-Tech Holdings Limited and its subsidiaries and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Fundamental uncertainty relating to the recovery of outstanding loan receivable

In arriving at our review conclusion, we have considered the adequacy of the disclosures made in the interim financial report concerning the recovery of a short-term loan receivable of HK\$67.5 million as at the date of this report. The ability of the borrower to promptly repay the underlying loan receivable due on 31 December 2002 is dependent upon the borrower's ability to realise its assets into sufficient cash resources or to raise additional cash resources, if required, on the maturity of the loan. Further details of the receivable and the circumstances relating to this fundamental uncertainty are further described in note 7 to the interim financial report. We consider that appropriate disclosures have been made and our review conclusion is therefore not modified in this respect.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2002.

Ernst & Young

Certified Public Accountants

Hong Kong, 16 September 2002